

Backgrounder on Ambassador Bridge Blockade

From: "Bijimine, Serge" <serge.bijimine@tc.gc.ca>
To: kaili.levesque@pco-bcp.gc.ca, "Setlakwe, Lisa" <lisa.setlakwe@pco-bcp.gc.ca>, glenn.purves@fin.gc.ca, samuel.millar@fin.gc.ca, tasha.hanes@fin.gc.ca, anuradha.marisetti@tbs-sct.gc.ca, naresh.debidin@tbs-sct.gc.ca, fred.gaspar@cbsa-asfc.gc.ca, "Vinette, Denis R." <denis.vinette@cbsa-asfc.gc.ca>, sara.wilshaw@international.gc.ca, marie-france.paquet@international.gc.ca, eric.costen@ised-isde.gc.ca, "Padfield, Chris (FDO/FDO)" <chris.padfield@feddevontario.gc.ca>, "Bhupsingh, Trevor" <trevor.bhupsingh@ps-sp.gc.ca>, "Wherrett, Jill" <jill.wherrett@ps-sp.gc.ca>, "Gregory, Mary (ISED/ISDE)" <mary.gregory@ised-isde.gc.ca>
Cc: "Brosseau, Kevin" <kevin.brosseau@tc.gc.ca>, "McCrorie, Aaron" <aaron.mccrorie@tc.gc.ca>, "Vanstone, Melanie" <melanie.vanstone@tc.gc.ca>, "Nichols, Megan" <megan.nichols@tc.gc.ca>, "Dea, Christian" <christian.dea@tc.gc.ca>, "Rudge, Tamara" <tamara.rudge@tc.gc.ca>, "Sandhar-Cruz, Paul" <paul.sandhar-cruz@tc.gc.ca>, "Hristeva, Polina" <polina.hristeva@tc.gc.ca>, "Smalley, Elizabeth" <elizabeth.smalley@tc.gc.ca>
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Colleagues,

While the situation remains fluid, see attached, for your information a backgrounder on the economic impacts of the Ambassador Bridge Blockade.

Key highlights are :

* The Ambassador Bridge is the busiest crossing along the Canada-U.S. border handling over around \$390 million of trade/day representing 26% of the country's exports and 33% imports by road. The bridge records more than 7,000 daily commercial vehicle crossings daily.

* It is estimated that the cost to the Canadian economy of a full shutdown of the bridge would likely be in the range of \$45M/day over the first week based on current mitigation efforts put in place by shippers and available alternative options. However, the impact could reach \$86M/day to \$161M/day (extreme case) in the event where other crossings become unavailable and the situation drags on in length.

* The impact will be especially acute for manufacturers, but especially the auto sector given its high concentration in Southern Ontario, its high integration with the US, and the just-in-time nature of its business model. Automakers in Canada and the US, including Ford, Toyota and Honda, have already started scaling back or cancelling production.

* From Monday to Thursday, February 7th-10th, the blockade at the Ambassador Bridge has diverted traffic away to nearby crossings, with Sarnia absorbing most of the excess traffic (100% increase) but also Fort Erie and Queeston (30% increase). The current net cumulative weekly effect (-7%) is relatively small. The rerouting of traffic however erodes the number of hours truckers are able to drive as per safety regulations and adds significant costs to the industry.

* This disruption adds to pandemic-related supply chain disruptions, such as the semiconductor shortages, truck labour shortage and the recent BC flooding.

Serge Bijimine

Assistant Deputy Minister/ Sous-Ministre Adjoint
Policy Group/ Groupe des Politiques
Transport Canada
Cell/Céll: (613) 618-9341